

Korea University Business School

Course Outline Fall 2011

BUSS320_00: Korean Business and Management in the Asian Context

Professor Mannsoo Shin

Course Overview

The course provides an overview of various aspects of Korean business and management in the Asian economic context. Development strategies of Korean economy and business will be discussed from the historical perspective. Political, socio-economic, and cultural environment for Korean business and management will be discussed in depth. Successful business strategies of selected Korean firms will be also highlighted. Implications of Korean business and management to China and other Asian countries will be drawn.

Course Objectives

The gradual development of many Korean firms and industries since the 1970s has captured the attention of academicians and practitioners worldwide. Korean economy now forms an integral part of the Asian economy, and, as such, there is an increasing need to understand how Korean firms became competitive and successful in Asian economy. Even though Korean firms, like other Asian companies, are facing many new challenges such as slowdown of global economy and volatile international financial market, they are expected to continue to grow in the global market.

This course reviews the historical development of Korean economy and business and analyses the factors which influence the operation of Korean businesses. The focus of the course is on how changes in the business environment including government policies have impacted on international competitiveness as well as functional strategies of Korean firms during the last several decades. The main objectives are to help students understand:

- Development of Korean Economy and Business
- Role of Korean Government on the Growth of Korean Business
- Political, Social, and Cultural Environment of Korean Business
- Korean Chaebuls (MNCs)
- Korean Business, Marketing and Management from a Cultural Perspective

Learning Outcomes

After completing this course, students will gain an appreciation of the economic, political and managerial aspects of Korean companies and will develop skills in analyzing managerial strategies of Korean firms. At the end of the semester, the student are expected to:

1. have an in-depth understanding of the political, economic and cultural factors which have shaped the business environment of Korean business;
2. develop a knowledge of the competitive dynamics of Korean firms;
3. critically assess the competitive and functional strategies used by Korean multinationals; and
4. apply the knowledge learned in the class to other countries or firms.

Learning and Teaching

The lectures define the broad issues to be studied. It is assumed that student reading materials (and further resources in the library or various website sources) will provide detailed understanding of issues. Students are also expected to keep aware of changing conditions in the Korean business environment and are encouraged to read regularly Korean business periodicals and media reports pertaining to Korea.

Course delivery includes lectures, class discussion, case analyses, and possible guest speakers. These methods introduce the theoretical concepts to students and illustrate how those principals are applied in Korean business. Students are expected to be fully prepared for each class and contribute actively to the learning process.

Text

1. *International Business in Korea* by O. Yul Kwon, Edward Elgar Publishing Ltd. 2008.
2. Other reading materials assigned on Korean Business and Management

Evaluation

Criteria	Korea Univ. Bus. School (KUBS)	Nanjing Univ.
One test out of Mid-term and Final Exam	40%	50%
Term paper report (individual)	30%	40%
Case analysis (group)	20%	-
Class Participation	10%	10%
Total	100%	100%

Details of the assignment will be announced in class.

Main Topics

- 1: Introduction and Significance of Korean Business
2. Development of Korean Economy and Korean Business Strategies
3. Role of Korean Government on the Growth of Korean Business
4. Political, Social, and Cultural Environment of Korean Business
5. Korean Chaebuls (MNCs)
6. Korean Business, Marketing and Management from a Cultural Perspective
7. Entry Strategy to Korean Market
8. Korean Firms in Asian Markets
9. Corporate Strategies of Selected Korean Firms

Main Course Requirements

Examinations

The purpose of exams is to make sure students read and understand materials assigned. Questions will be based on the contents of the assigned materials (and cases) and class discussions.

Individual Term Paper Project

Each student is required to conduct own research regarding Korean business. And some students will be invited for class presentations of about 15 minutes during the last two weeks. You must choose your own topic. It must be relevant to the issues on Korean business and management such as Korea's macroeconomic performance, current government policies, industry competitiveness, or firm's business strategies. Several major sources are recommended. Probably the easiest source of information would be business periodicals and journals on Korean business. Magazines such as Asian Business, Asian Wall Street Journal, Business Week, Economist, and Far Eastern Economic Review provide up-to-date economic issues of Asian countries including Korea. Also there are some country specific periodicals available in the library. Those journals present more in depth analysis of new economic development as well as structural economic problems. The second source of information is Korean newspapers and databases available through internet websites. Major Korean newspapers are providing web service in English. Also you can try many websites of governmental agencies and local economic research institutions in Korea such as Korea Development Institute, and Samsung Economic Research Institute.

Term paper project could be either on specific country (Korea), industry (Automobiles), company (Samsung Electronics), or an issue (Korea-US FTA). You might want to expand further some of the issues explored in class in your project. Grades for project will be based on logical consistency, depth of analysis, applicability of the recommendations or suggestions, and level of efforts made.

The final paper should not exceed 15 pages, double spaced including bibliography and appendix. There are two stages in preparing your final project report. First one page proposal is due on **September 14 (Wed)** for approval. The proposal should include the topic, a brief description of issues to be covered, and methodology. The final report is due on **November 16 (Wed)**.

Group Case Analysis Report

There will be many assigned cases of Korean firms or foreign firms in Korea. Each group (3-4 students) is required to write a five page case report. Basically, students should address the questions at the end of each case or issues assigned by the instructor in their cases. Whenever discussion issues are assigned in advance by the instructor, discussions in the case report should center on:

- Developing possible alternatives to solve the problems (issues), and
- Your own recommendation among alternatives with a brief justification, followed by an implementation plan.

CLASS SCHEDULE & READING ASSIGNMENTS

Week 1: Introduction and Significance of Korean Business

- 1) Introduction
- 2) The 60-year Long March of the Korean Economy, *Monthly Focus* No 8 – 2008, Young-Jae Jeon, Samsung Economic Research Institute, Oct. 2008, 1-12.

Week 2: Development of Korean Economy, I

- 1) Introduction of Economic Development Theory
- 2) How East Asia Did it: The Basics in *Asian Rising* by Jim Rohwer, Simon & Schuster, 1995, 48-60.
- 3) Chapter 1: Business Opportunities: Korea's Economic Prospects in *International Business in Korea* by O. Yul Kwon, 2008, 13-33.
- 4) Chapter 2: The Growth of the Korean Economy and the Role of Government, Youngsun Koh, in *The Korean Economy: Six Decades of Growth and Development*, ed. by Il Sagong and Youngsun Koh, Korea Development Institute, 2010, 7-82.

Week 3: Development of Korean Economy, II

- 1) Chapter 3: Korea's Industrial Development, Dohoon Kim and Youngsun Koh, in *The Korean Economy: Six Decades of Growth and Development*, ed. by Il Sagong and Youngsun Koh, Korea Development Institute, 2010, 84-122.
- 2) Chapter 6: Heavy and Chemical Industry Promotion Policy in the 1970s, Chuk Kyo Kim, in *Development Experience of the Korean Economy*, (ed. by Keuk Je Sung), 2010, 141-165.
- 3) Chapter 13: Economic Development and Human Capital Formation in Korea, Ke-young Chu, in *Development Experience of the Korean Economy*, (ed. by Keuk Je Sung), 2010, 377-405.

Case (KUBS class only): Comparing Ghana and South Korea (C. H. L. Hill, 306-307)

Week 4: Korean Political System and Government and Business Relationships

- 1) Chapter 2: An Assessment of Political Risk of Korea in *International Business in Korea* by O. Yul Kwon, 2008, 34-63.
- 2) Chapter 2: The Role of the Government in Management of Economic Development in Korea, Dal Hyun Kim, in *Development Experience of the Korean Economy*, (ed. by Keuk Je Sung), 2010, 51-76.

Week 5: Korean Society and Culture

- 1) Chapter 3: Korean Society and Culture in Transition in *International Business in Korea* by O. Yul Kwon, 2008, 64-85.
- 2) Korea's Plunging Birth Rate: Causes and Policy Suggestions, *Issue Paper* No. 07-01, Sook-Hee Choi and Jung-Woo Kim, Samsung Economic Research Institute, 2007, 1-30.
- 3) How Advanced is Korea? *Issue Report* No.07-13, Sun-bin Kim, Samsung Economic Research Institute, June 2010, 1-27.
- 4) Chapter 6: Business Negotiation in Korea: Cross-Cultural Aspects in *International Business in Korea* by O. Yul Kwon, 2008, 141-162.
- 5) Doing Business in South Korea | Korean Social and Business Culture, Communicaid Group Ltd. 2006.

Case (KUBS class only): Ellen Moore (A) Living and Working in Korea (H. W. Lane et al. pp. 331-346)

Week 6: Korean Chaebuls

- 1) The Players in *Strategies for Asia Pacific* by P. Lasserre & H. Schutte, Palgrave MacMillan, 2006, 103-159.

- 2) Chapter 11: The Expansion of Korea's Private Business and the Role of Entrepreneurship, Dal Hyun Kim, in *Development Experience of the Korean Economy*, (ed. by Keuk Je Sung), 2010, 325-348.
- 3) Asia's business Heritage: Benefits and Baggage in *Winning in Asia*, Peter Williamson, Harvard Business School Press, 2004, 31-60.
- 4) New Growth Strategy of Korean Companies, *Issue Report* No. 02-10, Hyung-Won Shin, Samsung Economic Research Institute, Feb. 2010, 1-19.

Case (KUBS class only): Market Entry Strategy of Kia Motors in China (Jangro Rhee)

Week 7: Labor Market Development and Industrial Relations

- 1) Chapter 14: The Human Side of Economic Development with Reference to South Korea: Labor Market Development and the Industrial Relations System, Sookon Kim, in *Development Experience of the Korean Economy*, (ed. by Keuk Je Sung), 2010, 417-447.
- 2) Chapter 9: Korea's Labor Market and Human Resource Management in Transition in *International Business in Korea* by O. Yul Kwon, 2008, 203-213.
- 3) Dealing with Core Employment Problem of Middle-Aged Worker Employment Woes, *Issue Report* No.05-09, Won-you Tae, Samsung Economic Research Institute, May 2009, 1-35.

Case (KUBS class only): Easibag Vietnam (Mannsoo Shin)

Week 8: Mid-term Exam

Week 9: Korean Management and Human Resource Management

- 1) Korean Management in Asia Pacific in *Business in Asia Pacific* by S. E. Kahal, Oxford University Press, 2001, pp.166-177.
- 2) Chapter 8: The Korean Management System in Transition in *International Business in Korea* by O. Yul Kwon, 2008, 34-63.
- 3) Japanese Style Management in *21st Century Japanese Management: New Systems, Lasting Values* by J. C. Abegglen, Palgrave Macmillan, 2006, 73-90.
- 4) Chapter 9: Korea's Labor Market and Human Resource Management in Transition in *International Business in Korea* by O. Yul Kwon, 2008, 213-227.

Case (KUBS class only): The Human Resources Management Strategy of Qingdao Imitation Jewelry Company in China (Mannsoo Shin)

Week 10: Entry Strategy to Korean Market

- 1) Chapter 4: Configuration of the Korean Market in Transition in *International Business in Korea* by O. Yul Kwon, 2008, 86-113.
- 2) Online Shopping Market in Korea Rising Fast: Suggestions for Companies, *Issue Report* No 5 – 2008, Hyung-Won Shin, Samsung Economic Research Institute, 2008, 1-22.
- 3) Korea Economic Trends, Highlights, Samsung Economic Research Institute, Aug. 22, 2011, 1-8.
- 4) Designing Entry Strategies for International Markets in *Entry Strategies for International Markets* by F. Root, John Wiley & Sons, 1994, 1-23.

Case (KUBS class only): The WalMart Korea (Mannsoo Shin)

Week 11: Korean MNCs in Asia

Case (Both KUBS and Nanjing U.): Hyundai Motors India Ltd. (Mannsoo Shin)

Case (Both KUBS and Nanjing U.): Samsung Electronics in Malaysia (Mannsoo Shin)

Week 12-13: Korean MNCs (Samsung Electronics, Hyundai Motors, and POSCO)

- 1) Fastest Growing Brand, in *Samsung Electronics: The Global Inc.* by Dongyoun, Lee, YSM, Inc., 2006, pp.57-80.

- 2) Research & Development, in *Samsung Electronics: The Global Inc.* by Dongyoun, Lee, YSM, Inc., 2006, pp.81-102.
- 3) Globalization, in *Samsung Electronics: The Global Inc.* by Dongyoun, Lee, YSM, Inc., 2006, pp.103-139.
- 4) Samsung's History,
<http://www.samsung.com/us/aboutsamsung/corporateprofile/history.html>
- 5) Hyundai History,
<http://worldwide.hyundai.com/company-overview/vision/hyundai-history-2009.html>.
- 6) POSCO History,
<http://www.posco.co.kr/homepage/docs/eng2/html/company/posco/s91a1010010m.jsp>

Week 14-15: Project Presentations

Week 16: Final Exam.